

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	POCAHONTAS GAS PARTNERSHIP, a Virginia Partnership Composed of Consolidation Coal Company, a Delaware Corporation And CONOCO, Inc., a Delaware Corporation	)	VIRGINIA GAS AND OIL BOARD
RELIEF SOUGHT:	POOLING OF INTERESTS IN DRILLING UNIT NO. FF-22 LOCATED IN THE OAKWOOD COALBED METHANE GAS FIELD I PURSUANT TO VA. CODE ANN. § 45.1-361.22, FOR THE PRODUCTION OF OCCLUDED NATURAL GAS PRODUCED FROM COALBEDS AND ROCK STRATA ASSOCIATED THEREWITH FROM WELL NO. CBM-PGP-FF22, herein collectively referred to as "Coalbed Methane Gas" or "Gas")	)	DOCKET NO. 97-0715-0596
LEGAL DESCRIPTION:	DRILLING UNIT NUMBER FF-22 (hereafter "Subject Drilling Unit") IN THE OAKWOOD COALBED METHANE GAS FIELD I HURRICANE MAGISTERIAL DISTRICT, KEEN MOUNTAIN QUADRANGLE BUCHANAN COUNTY, VIRGINIA (the "Subject Lands" are more particularly described on Exhibit "A", attached hereto and made a part hereof)	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter was scheduled to come on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at 9:00 a.m. on July 15, 1997; however, due to the lack of a quorum of the Board, this matter was continued and was heard by the Board on August 19, 1997, Dickenson Conference Center, Southwest Virginia Education 4-H Center, Abingdon, Virginia.
2. Appearances: Jill M. Harrison of the firm PennStuart appeared for the Applicant; and Sandra B. Riggs was present to advise to Board.
3. Jurisdiction and Notice: Pursuant to Va. Code Ann. §§ 45.1-361.1 et seq., the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the

Applicant has (1) exercised due diligence in conducting a search of the reasonably available sources to determine the identity and whereabouts of gas and oil owners, coal owners, mineral owners and/or potential owners, i.e., persons identified by Applicant as having ("Owner") or claiming ("Claimant") the rights to Coalbed Methane Gas in all coal seams below the Tiller Seam, including the Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas No. 9, Pocahontas No. 8, Pocahontas No. 7, Pocahontas No. 6, Pocahontas No. 5, Pocahontas No. 4, Pocahontas No. 3, Pocahontas No. 2 and various unnamed coal seams, coalbeds or pools and rock strata associated therewith (hereafter "Subject Formation") in Subject Drilling Unit underlying and comprised of Subject Lands; (2) has given notice to said parties who are identified in Exhibit B (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code Ann. §§ 45.1-361.19 and 45.1-361.22, to notice of the Application filed herein; and (3) that the persons set forth in Exhibit B-3 hereto are persons identified by Applicant through its due diligence who may be Owners or Claimants of Coalbed Methane Gas interests in Subject Formation, in Subject Drilling Unit underlying and comprised of Subject Lands, who have not heretofore agreed to lease or sell to the Applicant and/or voluntarily pool their Gas interests in Subject Drilling Unit. Unknown and/or unlocatable Gas Owners/Claimants in Subject Drilling Unit whose interests are to be escrowed in accordance with Paragraph 16.1 hereof are listed on Exhibit B-4, and conflicting Gas Owners/Claimants in Subject Drilling Unit whose interests are to be escrowed in accordance with Paragraph 16.2 hereof are listed in Exhibit F. Further, the Board has caused notice of this hearing to be published as required by Va. Code Ann. § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Amendments: None.

5. Dismissals: None.

6. Relief Requested: Applicant requests (1) that pursuant to Va. Code Ann. § 45.1-361.22, including the applicable portions of Va. Code Ann. § 45.1-361.21, the Board pool all the rights, interests and estates in and to the Gas in Subject Drilling Unit, including the pooling of the interests of the Applicant and the interests of the known and unknown persons named in Exhibit B hereto and that of their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, for the drilling and operation, including production, of Coalbed Methane Gas, produced from or allocated to the Subject Drilling Unit established for the Subject Formation underlying and comprised of the Subject Lands, (hereafter sometimes collectively identified and referred to as "well development and/or operation in the Subject Drilling Unit"), and (2) that the Board designate Pocahontas Gas Partnership as Unit Operator.

7. Relief Granted: The requested relief in this cause be and hereby is granted: (1) Pursuant to Va. Code Ann. § 45.1-361.21.C.3, Pocahontas Gas Partnership (hereafter "Unit Operator" or "Operator") is designated as the Unit Operator authorized to drill and operate the Coalbed Methane Gas well in



the Subject Drilling Unit subject to: the permit provisions contained in Va. Code Ann. § 45.1-361.27 et seq.; to the Oakwood Coalbed Methane Gas Field I Order OGCB 3-90, dated May 18, 1990; to § 4 VAC 25-150 et seq., Gas and Oil Regulations; and to §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations, all as amended from time to time, and (2) all the interests and estates in and to the Gas in Subject Drilling Unit, including that of the Applicant and those of the known and unknown persons listed on Exhibit B, attached hereto and made a part hereof, and their known and unknown heirs, executors, administrators, devisees, trustees, assigns and successors, both immediate and remote, be and hereby are pooled in the Subject Formation in the Subject Drilling Unit underlying and comprised of the Subject Lands.

<u>Subject Formation</u>	<u>Unit Size</u>	<u>Permitted Well Location(s)</u>	<u>Field and Well Classification</u>	<u>Order Number</u>
All coalbeds and coal seams below the Tiller seam, including, but not limited to Upper Seaboard, Greasy Creek, Middle Seaboard, Lower Seaboard, Upper, Horsepen, Middle Horsepen, War Creek, Lower Horsepen, Pocahontas Nos. 9, 8, 7, 6, 5, 4, 3, 2 and various unnamed seams and associated rock strata associated therewith.	Approximately 80-acre square.	No well bores are proposed to be drilled upon the surface overlying Subject Drilling Unit at the location depicted on Exhibit A.		OGCB 3-90, as amended, by orders issued in Docket Nos. VGOB 93-0216-0325 and VGOB 93-0316-0348 (herein "Oakwood I Field Rules")

For the Subject Drilling Unit  
underlying and comprised of the Subject  
Land referred to as:

Unit Number FF-22  
Buchanan County, Virginia

8. Election and Election Period: In the event any Owner or Claimant named in Exhibit B-3 hereto does not reach a voluntary agreement to share in the operation of the wells to be located in the Subject Drilling Unit, at a rate of payment mutually agreed to by said Gas Owner or Claimant and the Unit Operator, then such person named may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option

selected under Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date this Order is recorded in the county above named. A timely election shall be deemed to have been made if, on or before the last day of said 30-day period, such electing person has delivered his written election to the designated Unit Operator at the address shown below or has duly postmarked and placed its written election in first class United States mail, postage prepaid, addressed to the Unit Operator at the address shown below.

9. Election Options:

- 9.1 Option 1 - To Participate In The Development and Operation of the Drilling Unit: Any Gas Owner or Claimant named in Exhibit B-3 who does not reach a voluntary agreement with the Operator may elect to participate in the development and operation of the Subject Drilling Unit (hereafter "Participating Operator") by agreeing to pay the estimate of such Participating Operator's proportionate part of the actual and reasonable costs of the development contemplated by this Order, including a reasonable supervision fee, as more particularly set forth in Virginia Gas and Oil Board Regulation VR 4 VAC 25-160-100 (herein "Estimated, Completed for Production Costs"). Further, a Participating Operator agrees to pay the estimate of such Participating Operator's proportionate part of the Estimated, Completed-for-Production Costs as set forth below to the Unit Operator within forty-five (45) days from the later of the date of mailing or the date of recording of this Order. The estimated Estimated, Completed-for-Production Costs for the Subject Drilling Unit are as follows:

Estimated, Completed-for-Production Costs: \$243,728.00

A Participating Operator's proportionate cost hereunder shall be obtained by multiplying the Participating Operators' "Interest in Unit" times the Estimated, Completed-for-Production Cost set forth above. Provided, however, that in the event a Participating Operator elects to participate and fails or refuses to pay the estimate of his proportionate part of the Estimated, Completed-for-Production Costs as set forth above, all within the time set forth herein and in the manner prescribed in Paragraph 8 of this Order, then such Participating Operator shall be deemed to have elected not to participate and to have elected compensation in lieu of participation pursuant to Paragraph 9.2 herein.

- 9.2 Option 2 - To Receive A Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Unit Operator may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by such person, commencing upon entry of this Order and continuing annually until commencement of production from Subject Drilling Unit, and thereafter a royalty of 1/8th of 8/8ths [twelve and one-half percent (12.5%)] of the net proceeds received by the Unit Operator



for the sale of the Coalbed Methane Gas produced from any well development covered by this Order multiplied by that person's Division of Interest or proportional share of said production [for purposes of this Order, net proceeds shall be actual proceeds received less all post-production costs incurred downstream of the wellhead, including, but not limited to, all gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas Owner or Claimant. The initial cash bonus shall become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Order. Thereafter, annual cash bonuses, if any, shall become due and owing on each anniversary of the date of recording of this order in the event production from Subject Drilling Unit has not theretofore commenced, and once due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the annual cash bonuses, if any, are so paid or escrowed, subject to a final legal determination of ownership, said payment(s) shall be satisfaction in full for the right, interests, and claims of such electing person in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.2, when so made, shall be satisfaction in full for the right, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to and hereby does lease and assign, its right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant.

- 9.3. Option 3 - To Share In The Development And Operation As A Non-Participating Person On A Carried Basis And To Receive Consideration In Lieu Of Cash: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above and in lieu of receiving a cash bonus consideration under Paragraph 9.2 above, any Gas Owner or Claimant named in Exhibit B-3 hereto who does not reach a voluntary agreement with the Operator may elect to share in the development and operation of Subject Drilling Unit on a carried basis (as a "Carried Well Operator"] so that the proportionate part of the Estimated, Completed-for-Production Costs hereby allocable to such Carried Well Operator's interest is charged against such Carried Well Operator's share of production from Subject Drilling Unit. Such Carried Well Operator's rights, interests, and claims in and to the Gas in Subject Drilling Unit shall be deemed and hereby are assigned to the Applicant until the proceeds from the sale of such Carried Well Operator's share of production from Subject Drilling Unit (exclusive of any royalty, excess or overriding royalty, or other non-operating or non cost-bearing burden reserved in any lease, assignment thereof or agreement relating thereto covering

such interest) equals three hundred percent (300%) for a leased interest or two hundred percent (200%) for an unleased interest (whichever is applicable) of such Carried Well Operator's share of the Estimated, Completed-for-Production Costs allocable to the interest of such Carried Well Operator. When the Applicant recoups and recovers from such Carried Well Operator's assigned interest the amounts provided for above, then, the assigned interest of such Carried Well Operator shall automatically revert back to such Carried Well Operator, and from and after such reversion, such Carried Well Operator shall be treated as if it had participated initially under Paragraph 9.1 above; and thereafter, such participating person shall be charged with and shall pay his proportionate part of all further costs of such well development.

Subject to a final legal determination of ownership, the election made under this Paragraph 9.3, when so made, shall be satisfaction in full for the rights, interests, and claims of such electing person in any well development and operation covered hereby and such electing person shall be deemed to have and hereby does assign its rights, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Applicant for the period of time during which its interest is carried as above provided prior to its reversion back to such electing person.

10. Failure to Properly Elect: In the event a person named in Exhibit B-3 hereto does not reach a voluntary agreement with the Unit Operator and fails to elect within the time, in the manner and in accordance with the terms of this Order, one of the alternatives set forth in Paragraph 9 above for which his interest qualifies, then such person shall be deemed to have elected not to participate in the proposed development and operation of Subject Drilling Unit and shall be deemed, subject to a final legal determination or ownership, to have elected to accept as satisfaction in full for such person's right, interests, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for which its interest qualifies and shall be deemed to have leased and/or assigned his right, interests, and claims in and to the Gas produced from Subject Formation in the Subject Drilling Unit to the Unit Operator. Persons who fail to properly elect shall be deemed, subject to a final legal determination of ownership, to have accepted the compensation and terms set forth herein at Paragraph 9.2 in satisfaction in full for the right, interests, and claims of such person in and to the Gas produced from the Subject Formation underlying Subject Lands.

11. Default By Participating Person: In the event a person named in Exhibit B-3 elects to participate under Paragraph 9.1, but fails or refuses to pay, to secure the payment or to make an arrangement with the Unit Operator for the payment of such person's proportionate part of the Estimated, Completed-for-Production Cost as set forth herein, all within the time and in the manner as prescribed in this Order, then such person shall be deemed to have withdrawn his election to participate and shall be deemed to have elected to accept as satisfaction in full for such person's right, interest, and claims in and to the Gas the consideration provided in Paragraph 9.2 above for



which his interest qualifies depending on the excess burdens attached to such interest. Whereupon, any cash bonus consideration due as a result of such deemed election shall be tendered, paid or escrowed by Unit Operator within sixty (60) days after the last day on which such defaulting person under this Order should have paid his proportionate part of such cost or should have made satisfactory arrangements for the payment thereof. When such cash bonus consideration is paid or escrowed, it shall be satisfaction in full for the right, interests, and claims of such person in and to the Gas underlying Subject Drilling Unit in the Subject Lands covered hereby, except, however, for any royalties which would become due pursuant to Paragraph 9.2 hereof.

12. Assignment of Interest: In the event a person named in Exhibit B-3 is unable to reach a voluntary agreement to share in the operation of the wells contemplated by this Order at a rate of payment agreed to mutually by said Owner or Claimant and the Operator, and such person elects or fails to elect to do other than participate under Paragraph 9.1 above in the development and operation of Subject Formations in Subject Drilling Unit, then subject to a final legal determination of ownership, such person shall be deemed to have and shall have assigned unto Unit Operator such person's right, interests, and claims in and to said wells, and other share in production to which such person may be entitled by reason of any election or deemed election hereunder in accordance with the provisions of this Order governing said election.

13. Unit Operator (or Operator): Pocahontas Gas Partnership be and hereby is designated as Unit Operator authorized to drill and operate the Coalbed Methane Well in Subject Formation in Subject Drilling Unit, all subject to the permit provisions contained in Va. Code Ann. §§ 45.1-361.27 et seq.; §§ 4 VAC 25-150 et seq., Gas and Oil Regulations; §§ 4 VAC 25-160 et seq., Virginia Gas and Oil Board Regulations and the Oakwood Coalbed Gas Field I Order OGCB 3-90, all as amended from time to time, and all elections required by this Order shall be communicated to Unit Operator in writing at the address shown below:

Pocahontas Gas Partnership  
P. O. Box 947  
Bluefield, VA 24605  
Phone: (540) 988-1016  
Fax: (540) 988-1055  
Attn: Leslie K. Arrington

14. Commencement of Operations: Unit Operator shall commence or cause to commence operations for the drilling of the well within the Subject Drilling Unit within three hundred and sixty-five (365) days from the date of this Order and shall prosecute the same with due diligence. If Unit Operator shall not have so commenced and/or prosecuted, then this Order shall terminate, except for any cash sums then payable hereunder; otherwise, unless sooner terminated by Order of the Board, this Order shall expire at 12:00 P.M. on the date on which the well covered by this Order is permanently abandoned and plugged. However, in the event an appeal is taken from this Order, then the time between the filing of the petition for appeal and the final Order of the Circuit Court shall be excluded in calculating the one year period referred herein.

15. Operator's Lien: Unit Operator, in addition to the other rights afforded hereunder, shall have a lien and a right of set off on the Gas estates, rights, and interests owned by any person subject hereto who elects to participate under Paragraph 9.1 in the Subject Drilling Unit to the extent that costs incurred in the drilling or operation on the Subject Drilling Unit are chargeable against such person's interest. Such liens and right of set off shall be separable as to each separate person and shall remain liens until the Unit Operator drilling or operating any well covered hereby has been paid the full amounts due under the terms of this Order.

16. Escrow Provisions:

By this Order, the Board instructs the Escrow Agent named herein or any successor named by the Board to establish an interest-bearing escrow account, (herein "the Escrow Account") to receive and account to the Board pursuant to its agreement for the escrowed funds hereafter described:

Tazewell National Bank  
Trust Department  
c/o Premier Bankshares Corporation  
29 College Drive, P. O. Box 1199  
Bluefield, VA 24605-1199  
Telephone: (540) 322-2242  
Fax: (540) 322-2766

16.1. Escrow Provisions For Unknown or Unlocatable Persons: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be located or is unknown, then such cash bonus, royalty payment, or other payment shall not be commingled with any funds of the Unit Operator and pursuant to Va. Code Ann. § 45.1-361.21.D, said sums shall be deposited by the Operator into the Escrow Account, commencing within ninety (90) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than ninety (90) days after the last day of the month being reported and/or for which funds are being deposited. Such funds shall be held for the exclusive use of, and sole benefit of the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board in accordance with Va. Code Ann. § 45.1-361.21.D.

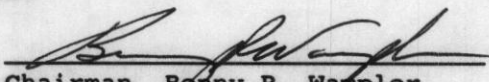
16.2 Escrow Provisions For Conflicting Claimants: If any payment of bonus, royalty payment or other payment due and owing under this Order cannot be made because the person entitled thereto cannot be made certain due to conflicting claims of ownership and/or a defect or cloud on the title, then such cash bonus, royalty payment or other payment, together with Participating Operator's Proportionate Costs paid to Operator pursuant to Paragraph 9.1 hereof, if any, (1) shall not be commingled with any funds of the Unit Operator; and (2) shall, pursuant to Va. Code Ann. §§ 45.1-361.22.A.2, 45.1-361.22.A.3 and 45.1-361.22.A.4, be deposited



by the Operator into the Escrow Account within ninety (90) days of recording of this Order, and continuing thereafter on a monthly basis with each deposit to be made, by use of a report format approved by the Inspector, by a date which is no later than sixty (60) days after the last day of the month being reported and/or for which funds are subject to deposit. Such funds shall be held for the exclusive use of, and sole benefit of, the person entitled thereto until such funds can be paid to such person(s) or until the Escrow Agent relinquishes such funds as required by law or pursuant to Order of the Board.

17. Special Findings: The Board specifically and specially finds:
  - 17.1. Applicant is a Virginia general partnership composed of Consolidation Coal Company, a Delaware corporation, and CONOCO, Inc., a Delaware corporation;
  - 17.2 Pocahontas Gas Partnership is duly authorized to transact business in the Commonwealth of Virginia, is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
  - 17.3 Applicant claims ownership of gas leases, coalbed methane gas leases, and/or coal leases representing 100 percent of the Pocahontas No. 3 seam of coal, 98.30986 percent of the oil and gas interest, and 100 percent of the Coalbed Methane Gas estate in Subject Drilling Unit. The Applicant claims the right to explore for, develop and produce Coalbed Methane Gas from coal seams below the Tiller seam in Unit Number FF-22 in Buchanan County, Virginia, which Subject Lands are more particularly described in Exhibit "A";
  - 17.4 Applicant currently proposes the drilling of one well on the surface overlying Subject Drilling Unit to develop the pool of Gas in Subject Formations. The Department of Mines, Minerals and Energy issued Permit Number 3171 for Well CBM-PGP-FF22 on August 15, 1996;
  - 17.5 The estimated total production from Subject Drilling Unit is 1200 - 2000 MMCF. The estimated amount of reserves from Subject Drilling Unit is 1200 TO 2000 MMCF;
  - 17.6 Respondents are listed on Exhibit B. Conflicting Owners/Claimants are listed on Exhibit E. Set forth in Exhibit B-3 is the name and last known address of each person identified by the Applicant as an Owner or Claimant of Coalbed Methane Gas in Subject Formation in Subject Drilling Unit underlying and comprised of Subject Lands, who has not, in writing, leased to the Unit Operator or agreed to voluntarily pool his Gas interests in Subject Drilling Unit for its development. The interests of the Respondents listed in Exhibit B-3 comprise 1.69014 percent of the oil and gas interests and 0 percent of the coal interests in Subject Drilling Unit;

- 17.7 Applicant's evidence established that the fair, reasonable and equitable compensation to be paid to any person in lieu of the right to participate in any well covered hereby are those options provided in Paragraph 9 above;
- 17.8 The relief requested and granted is just and reasonable, is supported by substantial evidence and will afford each Gas Owner or Claimant in Subject Drilling Unit the opportunity to recover or receive, without unnecessary expense, such person's just and fair share of the production from Subject Drilling Unit. The granting of the Application and relief requested therein will ensure to the extent possible the greatest ultimate recovery of coalbed methane gas, prevent or assist in preventing the various types of waste prohibited by statute and protect or assist in protecting the correlative rights of all persons in the subject common sources of supply in the Subject Lands. Therefore, the Board is entering an Order granting the relief herein set forth.
18. Mailing Of Order And Filing Of Affidavit: Applicant or its Attorney shall file an affidavit with the Secretary of the Board within sixty (60) days after the date of recording of this Order stating that a true and correct copy of said Order was mailed within seven (7) days from the date of its receipt to each Respondent pooled by this Order and whose address is known.
19. Availability of Unit Records: The Director shall provide all persons not subject to a lease with reasonable access to all records for Subject Drilling Unit which are submitted by the Unit Operator to said Director and/or his Inspector(s).
20. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
21. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 et seq.
22. Effective Date: This Order shall be effective on the date of its execution.
- DONE AND EXECUTED this 22<sup>nd</sup> day of September, 1997, by a majority of the Virginia Gas and Oil Board.

  
Chairman, Benny R. Wampler



DONE AND PERFORMED this 22<sup>nd</sup> day of September, 1997, by  
Order of this Board.

Byron J. Fulmer  
Byron Thomas Fulmer  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA )  
COUNTY OF WISE )

Acknowledged on this 22<sup>nd</sup> day of September, 1997,  
personally before me a notary public in and for the Commonwealth of Virginia,  
appeared Benny Wampler, being duly sworn did depose and say that he is  
Chairman of the Virginia Gas and Oil Board, that he executed the same and was  
authorized to do so.

Susan G. Garrett  
Susan G. Garrett  
Notary Public

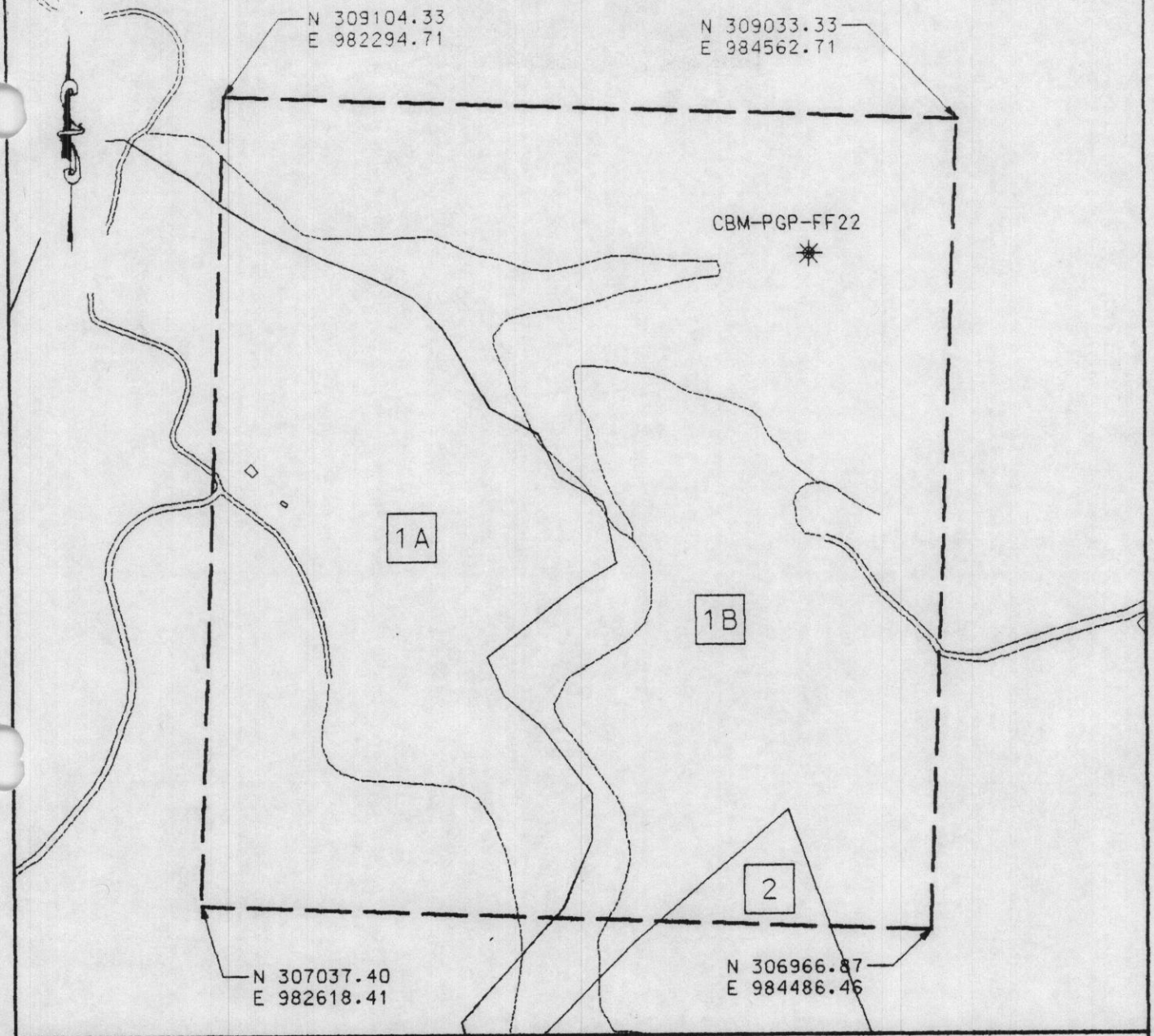
My commission expires 07/31/98

STATE OF VIRGINIA )  
COUNTY OF WASHINGTON )

Acknowledged on this 22<sup>nd</sup> day of September, 1997,  
personally before me a notary public in and for the Commonwealth of Virginia,  
appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is  
Principal Executive to the Staff of the Virginia Gas and Oil Board, that he  
executed the same and was authorized to do so.

Diane J. Davis  
Diane J. Davis  
Notary Public

My commission expires 9/30/97



## LEGEND

- ↗ TRACT LAND HOOK      \* PROPOSED CBM WELL  
 \* EXISTING CBM WELL  
 [2] TRACT LAND ID'S

EXHIBIT A  
 OAKWOOD FIELD UNIT FF22  
 FORCE POOLING  
 VGOB-97-0715-0596

Company Pocahontas Gas Partnership      Well Name and Number UNIT FF22  
 Tract No. \_\_\_\_\_ Elevation \_\_\_\_\_ Quadrangle Keen Mountain  
 County Buchanan      District Hurricane      Scale: 1" = 400'      Date 8/9/97  
 This plat is a new plat X ;      an updated plat \_\_\_\_\_ ;      or a final plat \_\_\_\_\_

Form DGO-GO-7  
 Rev. 9/91

*Claude D. Morgan*  
 Licensed Professional Engineer or Licensed Land Surveyor





**Pocahontas Gas Partnership**

Tract Identifications

Unit FF-22

1. Buckhorn Coal Mining - Tr. 1 - Coal, Oil & Gas  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and above coal Leased  
Pocahontas Gas Partnership - CBM Leased  
87.25 acres                      98.30986%
- 1A. W. C. Shelton - Surface
- 1B. Buckhorn Coal Mining - Surface
2. Buckhorn Coal Mining - Tr. 1 - Coal  
Consolidation Coal Company - Below Tiller coal Leased  
Permac, Inc. - Tiller and above coal Leased  
Pocahontas Gas Partnership - CBM Leased  
Jacob Fuller Heirs, Et al. - Surface, Oil & Gas  
1.50 acres                      1.69014%

Docket No. VGOB-97/07/15-0596  
Exhibit A, Page 2

**Ownership information pertaining to FF-22 unit.**

1. Percentage of coalbed methane rights owned, leased or previously pooled by applicant:

<u>Gross Percentages</u>	<u>Coal Owner(s)</u>	<u>Net Percentages</u>
100.00%		100.00%

<u>Gross Percentages</u>	<u>Oil &amp; Gas Owner(s)</u>	<u>Net Percentages</u>
98.30986%		98.30986%

2. Percentage of coalbed methane rights not owned, leased or previously pooled by applicant:

<u>Gross Percentages</u>	<u>Coal Owner(s)</u>	<u>Net Percentages</u>
0.00%		0.00%

<u>Gross Percentages</u>	<u>Oil &amp; Gas Owner(s)</u>	<u>Net Percentages</u>
1.69014%		1.69014%

3. Percentage of coal leased: 100%
4. Percentage of Oil and Gas leased: 98.30986%



Exhibit B  
Unit FF-22  
Docket No. VGOB- 97-0715-0596  
List of all Owners/Claimants

	Net Acres In Unit	Interest in Unit
<b>I. <u>COAL FEE OWNERSHIP</u></b>		
<b><u>TRACT #1 - 87.25 acres</u></b>		
(1) Buckhorn Coal Company Tr. 1 P. O. Box 187 Tazewell, VA 24651	87.25 acres	98.30986%
<b><u>TRACT #2 - 1.50 acres</u></b>		
(1) Buckhorn Coal Company Tr. 1 P. O. Box 187 Tazewell, VA 24651	1.50 acres	1.69014%
<b>II. <u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
<b><u>TRACT #1 - 87.25 acres</u></b>		
(1) Buckhorn Coal Company Tr. 1 P. O. Box 187 Tazewell, VA 24651	87.25 acres	98.30986%
<b><u>TRACT #2 - 1.50 acres</u></b>		
(1) Jacob Fuller Heirs, et al.	1.50 acres	1.69014%
(a) John W. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(b) Catherline Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(c) Calvin Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(d) Mary A. Mullins Heirs, Devisees, Successors or Assigns Address unknown		
(e) Eliza C. R. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(f) William A. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(g) Thomas Whitt Heirs, Devisees, Successors or Assigns Address unknown		
(h) W. L. Helton Heirs, Devisees, Successors or Assigns Address unknown		

Exhibit B  
Unit FF-22Docket No. VGOB- 97-0715-0596  
List of all Owners/Claimants

	Net Acres in Unit	Interest in Unit
(i) Inez Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(j) Gerald Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(k) Van Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(l) Clovis Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(m) Miles Blankenship Jr. Heirs, Devisees, Successors or Assigns Address unknown		
(n) Jearl Lee Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
<b>III. <u>COAL LEASEHOLD OWNERSHIP</u></b>		
<b><u>TRACT #1 - 87.25 acres</u></b>		
(1) Consolidation Coal Company 1800 Washington Road Pittsburgh, PA 15241	87.25 acres	98.30986%
<b><u>TRACT #2 - 1.50 acres</u></b>		
(1) Consolidation Coal Company 1800 Washington Road Pittsburgh, PA 15241	1.50 acres	1.69014%
<b>IV. <u>CBM LEASEHOLD OWNERSHIP</u></b>		
<b><u>TRACT #1 - 87.25 acres</u></b>		
(1) Pocahontas Gas Partnership P. O. Box 200 Mavisdale, VA 24627	87.25 acres	98.30986%
<b><u>TRACT #2 - 1.50 acres</u></b>		
(1) Pocahontas Gas Partnership P. O. Box 200 Mavisdale, VA 24627	1.50 acres	1.69014%



	Net Acres in Unit	Interest in Unit
<b>V. <u>OIL &amp; GAS LEASEHOLD OWNERSHIP</u></b>		
<b><u>TRACT #1 - 87.25 acres</u></b>		
(1) Pocahontas Gas Partnership P. O. Box 200 Mavisdale, VA 24627	87.25 acres	98.30986%

Exhibit B-3  
Unit FF-22  
Docket No. VGOB- 97-0715-0596  
List of Unleased Owners/Claimants

	Net Acres in Unit	Interest in Unit
<b>I. OIL &amp; GAS FEE OWNERSHIP</b>		
<b><u>TRACT #2 - 1.50 acres</u></b>		
(1) Jacob Fuller Heirs, et al.	1.50 acres	1.69014%
(a) John W. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(b) Catherline Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(c) Calvin Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(d) Mary A. Mullins Heirs, Devisees, Successors or Assigns Address unknown		
(e) Eliza C. R. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(f) William A. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(g) Thomas Whitt Heirs, Devisees, Successors or Assigns Address unknown		
(h) W. L. Helton Heirs, Devisees, Successors or Assigns Address unknown		
(i) Inez Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(j) Gerald Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(k) Van Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(l) Clovis Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(m) Miles Blankenship Jr. Heirs, Devisees, Successors or Assigns Address unknown		



Exhibit B-3

Unit FF-22

Docket No. VGOB- 97-0715-0596

List of Unleased Owners/Claimants

Net Acres  
In UnitInterest in  
Unit

(n) Jearl Lee Blankenship Heirs, Devisees,  
Successors or Assigns  
Address unknown

	Net Acres In Unit	Interest in Unit
<b>I. <u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
<b><u>TRACT #2 - 1.50 acres</u></b>		
(1) Jacob Fuller Heirs, et al.	1.50 acres	1.69014%
(a) John W. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(b) Catherline Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(c) Calvin Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(d) Mary A. Mullins Heirs, Devisees, Successors or Assigns Address unknown		
(e) Eliza C. R. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(f) William A. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(g) Thomas Whitt Heirs, Devisees, Successors or Assigns Address unknown		
(h) W. L. Helton Heirs, Devisees, Successors or Assigns Address unknown		
(i) Inez Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(j) Gerald Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(k) Van Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(l) Clovis Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(m) Miles Blankenship Jr. Heirs, Devisees, Successors or Assigns Address unknown		



Exhibit B-4  
Unit FF-22  
Docket No. VGOB- 97-0715-0596  
List of Unknown and/or Unlocateable Parties

Net Acres  
in Unit

Interest in  
Unit

(n) Jearl Lee Blankenship Heirs, Devisees,  
Successors or Assigns  
Address unknown

BOOK 467 PAGE 565  
Exhibit E  
Unit FF-22  
Docket No. VGOB- 97-0715-0596  
List of Conflicting Owners/Claimants

	Net Acres In Unit	Interest in Unit
<b><u>TRACT #2 - 1.50 acres</u></b>		
<b><u>COAL FEE OWNERSHIP</u></b>		
(1) Buckhorn Coal Company Tr. 1 P. O. Box 187 Tazewell, VA 24651	1.50 acres	1.69014%
<b><u>OIL &amp; GAS FEE OWNERSHIP</u></b>		
(1) Jacob Fuller Heirs, et al.	1.50 acres	1.69014%
(a) John W. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(b) Catherline Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(c) Calvin Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(d) Mary A. Mullins Heirs, Devisees, Successors or Assigns Address unknown		
(e) Eliza C. R. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(f) William A. Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(g) Thomas Whitt Heirs, Devisees, Successors or Assigns Address unknown		
(h) W. L. Helton Heirs, Devisees, Successors or Assigns Address unknown		
(i) Inez Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(j) Gerald Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(k) Van Blankenship Heirs, Devisees, Successors or Assigns Address unknown		



Exhibit E  
Unit FF-22  
Docket No. VGOB- 97-0715-0596  
List of Conflicting Owners/Claimants

	Net Acres in Unit	Interest in Unit
(l) Clovis Blankenship Heirs, Devisees, Successors or Assigns Address unknown		
(m) Miles Blankenship Jr. Heirs, Devisees, Successors or Assigns Address unknown		
(n) Jearl Lee Blankenship Heirs, Devisees, Successors or Assigns Address unknown		

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 2nd day of October, 1997 12:58 P. M.  
Deed Book No. 467 and Page No. 544 TESTE: James M. Bevins, Jr., Clerk  
Returned this date to; Deputy Minor TESTE: Deputy S. J. Allen Deputy Clerk